



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 20, 1998

Nancy Walker
International Services
US Bank National Association
918 Seventeenth Street, CNBB 0540
Denver, Colorado 80202

Re: Irrevocable Letters of Credit (ILOC), [redacted] and [redacted], USMX of Utah, Inc. (Dakota Mining Corp.), Goldstrike Mine, M/053/005, Washington County, Utah

Dear Ms. Walker:

In response to our telephone conversation this morning, I have enclosed two (2) original amendments to ILOC No. [redacted] and [redacted]. One amendment is dated December 26, 1995 and effectively reduces ILOC A-5380 to \$867,300. The second amendment is dated August 2, 1996 and reduces ILOC [redacted] \$1 to \$69,300. I apologize for the misunderstanding on our part in not including them with the package we sent to Mr. Mike Dobyen on May 18, 1998.

As I stated to you over the phone, we never received the original amendment to Letter of Credit [redacted] dated October 27, 1997. This amendment further reduced the \$867,300 surety amount to \$129,200. We only received a telefaxed copy of the original document on April 21, 1998 from your office. Apparently our failure to formally notify you of a change in our mailing address in June of 1996 resulted in our not receiving the original (October 27, 1997) amendment.

I spoke with Mr. Joe Kircher of USMX of Utah, Inc. regarding your request for additional written authorization from the client to release said funds. It is my understanding that Mr. Gordon Phair, comptroller for USMX, has since spoken with you and given their corporate concurrence. Please call me at (801) 538-5286 if there is any additional information you need to complete the processing of our request to redeem the ILOC's. We truly appreciate your understanding and cooperation in processing these transactions in a timely manner.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures

cc: Joe Kircher, USMX/Dakota
Mary Ann Wright, DOGM
Bond file

m053005.loc



Colorado National Bank

950 Seventeenth Street
Denver, CO 80202

DECEMBER 26, 1995.

UTAH DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UTAH 84180

SIRS,

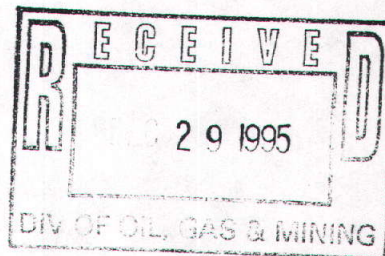
ENCLOSED IS OUR AMENDMENT NO. 1 TO STANDBY LETTER OF
CREDIT NO. ISSUED IN YOUR FAVOR ON BEHALF OF USMX
OF UTAH, INC.

THIS AMENDMENT REQUIRES BENEFICIARY APPROVAL. PLEASE SIGN
THE ATTACHED COPY AND RETURN TO COLORADO NATIONAL BANK IN
THE ENCLOSED ENVELOPE.

IF YOU HAVE ANY QUESTIONS REGARDING THIS LETTER OF CREDIT
PLEASE CONTACT US AT 303-585-4433.

REGARDS,

MIKE DOBYAN
INTERNATIONAL SERVICES





Colorado National Bank

950 Seventeenth Street
Denver, CO 80202

Date: December 26, 1995.

AMENDMENT TO STANDBY LETTER OF CREDIT

Amendment Number 01 Letter of Credit Number

Beneficiary:

UTAH DIVISION OF OIL, GAS AND MINING
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
and
U.S. DEPARTMENT OF THE INTERIOR
Bureau of Land Management

Applicant:

USMX of Utah, Inc.

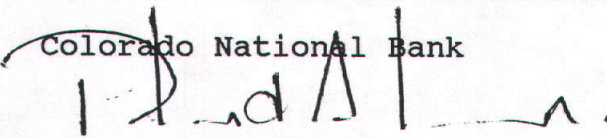
THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

-
1. Amount is decreased by USD 200,000.00 to a new aggregate total of USD 867,300.00
-

This Amendment is to be considered as part of the above Credit and must be attached thereto.

All other terms and conditions remain unchanged.

Colorado National Bank


Richard A. Koniar
Assistant Vice President

This amendment is subject to Beneficiary Approval / Disapproval and must be accepted or refused by making such notation by your signature on the attached copy of this amendment on the line provided and returning same to ourselves, immediate reply requested.

I, _____ approve/accept amendment.
authorized signer

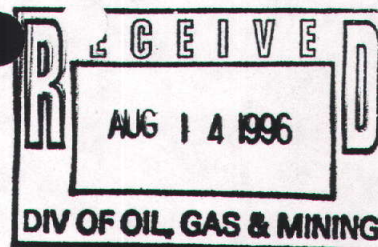
I, _____ disapprove/refuse amendment.
authorized signer

dated: _____



Colorado National Bank

950 Seventeenth Street
Denver, CO 80202



24/053/012

AUGUST 2, 1996.

UTAH DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UTAH 84180-1203

ATTN: DEPARTMENT OF NATURAL RESOURCES

ENCLOSED IS OUR AMENDMENT NO. 1 TO STANDBY LETTER OF
CREDIT NO. ----- ISSUED YOUR FAVOR ON BEHALF OF USMX OF
UTAH, INC.

IF YOU HAVE ANY QUESTIONS REGARDING THIS LETTER OF CREDIT
PLEASE CONTACT US AT 303-585-4433.

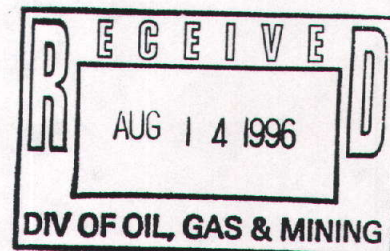
REGARDS,

MIKE DOBYAN
INTERNATIONAL SERVICES



Colorado National Bank

950 Seventeenth Street
Denver, CO 80202



Date: August 2, 1996.

AMENDMENT TO STANDBY LETTER OF CREDIT

Amendment Number 1 Letter of Credit Number _____

Beneficiary: Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
and
U.S. Department of the Interior
Bureau of Land Management

Applicant: USMX of Utah, Inc.

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

-
1. Amount is decreased by USD 114,200.00 to a new aggregate total of USD 69,300.00.
-

This credit is subject to the Uniform Customs and Practice for Documentary Credits published by the International Chamber of Commerce, or any subsequent revision thereto.

This Amendment is to be considered as part of the above Credit and must be attached thereto.

All other terms and conditions remain unchanged.

Colorado National Bank

Richard A. Koniar
Assistant Vice President

**Colorado National Bank**950 Seventeenth Street
Denver, CO 80202

FAX:

801-359-3940

D. Wayne Hedde

AMENDMENT TO STANDBY LETTER OF CREDIT

Standby Letter of Credit

Date 27 October 1997

Amendment: Two

Beneficiary: Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
and
U.S. Department of the Interior
Bureau of Land Management

Applicant: USMX of Utah, Inc.

The above mentioned Letter of Credit is amended as follows:

1. Letter of Credit amount has been decreased USD 738,100.00 to a new aggregate amount of USD 129,200.00.

This amendment is to be considered as part of the above Letter of Credit and must be attached thereto.
All other terms and conditions remain unchanged.


Richard A. Koniar
Assistant Vice President